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REGARD TO THE IMPLEMENTATION OF THE
DECLARATION ON THE GRANTING OF
INDEPENDENCE TO COLONIAL COUNTRIES
AND PEOPLES

TURKS AND CAICOS ISLANDS

Working paper prepared by the Secretariat

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TURKS AND CAICOS ISLANDS 1/

I. GENERAL

1. Information on the Territory's geographical features is contained in the previous working paper prepared by the Secretariat (A/AC.109/2015, paras. 1-2). The total population of the Territory was 13,800 in 1994. 2/

II. CONSTITUTIONAL AND POLITICAL DEVELOPMENTS

A. Constitutional developments

2. A summary of the Constitution of 1988 and the proposed changes in the basic law of the Territory are contained in a previous working paper on the Turks and Caicos Islands prepared by the Secretariat (A/AC.109/1185, paras. 3, 4 and 7-9).

3. In March 1996, the ruling and opposition party leaders joined in a petition addressed to the Government of the United Kingdom of Great Britain and Northern Ireland that Governor Martin Bourke be recalled by the administering Power for the remarks attributed to him in a major offshore reference manual. The Territory's leaders accused the Governor of painting a picture of the Turks and Caicos Islands as being a lawless and corrupt society, thereby undermining its reputation in the international community and severely prejudicing its ability to compete as an offshore finance jurisdiction and as a tourist destination. On 2 April 1996, the administering Power firmly rejected this petition. The British Foreign Office said that the Governor had acted in accordance with his constitutional duties. 3/

B. Political parties, elections and public service

4. Information on the political parties, elections and public service is contained in the previous working paper prepared by the Secretariat (A/AC.109/2015, paras. 4-6).

5. At the end of November 1995, three prominent political figures from different parties formed an Action Committee for Political Independence, saying that their goal was to "educate the population to the disadvantages of the present colonial status and benefits of independence". The Committee's Chairman is Mr. Oswald Skipping, Minister of Communications, Transport, Tourism, Information and Caribbean Community (CARICOM) Affairs. The former Minister of Commerce, Development and Tourism, Mr. Stafford Hissick, is Secretary-General, and Mr. Wendall Swan, leader of the United Democratic Party (UDP), is the Committee's public relations officer. 4/

III. ECONOMIC CONDITIONS

A. General

6. Located in a strategic position in the middle of the Caribbean, the Turks and Caicos Islands has a small but vibrant open economy, depending in large measure on tourism and offshore financial services. The Territory maintains a healthy fishing industry and provides increasing opportunities for agriculture, mariculture and value-added processing. In addition, retired professionals are being attracted to the islands in significant numbers.

7. The Territory's economy is one of the fastest growing in the Caribbean, with the gross domestic product increasing at an average of 7.9 per cent over the seven-year period ending in 1993. Although this slowed to an estimated 4.5 per cent in 1994, the Turks and Caicos still has the third fastest growing economy in the Caribbean. Performance generally reflected strong growth in tourism and in offshore financial services, as well as increased domestic investment, with the gross domestic product recorded at US$ 90.2 million.

8. Inflation was an area of concern in the management of the economy, with prices tracking the economy of the United States of America and increasing by an estimated 3.0 per cent during the year. There is limited scope for controlling inflation owing to the fact that almost all goods are imported, and economic activity in the exporting country has a direct impact on prices in the Territory. The increase in consumer prices in 1994 was marked, particularly on Providenciales where double-digit real growth rates have been experienced for the past five years.

9. In addition to programmes directed towards stimulating private-sector activity, the Government has embarked on an aggressive programme to strengthen financial management in the public sector, including efforts to increase revenue. 5/

B. Public finance

10. Information on public finance in the Territory is contained in the previous working paper prepared by the Secretariat (A/AC.109/2015, paras. 10-13).

11. It was reported in February 1996 that the Caribbean Development Bank (CDB) had approved a $1.8 million loan to assist the Turks and Caicos Investment Agency (TCIA) in continuing its lending activities to support agriculture, industry, tourism, housing and student loans. 6/

C. Offshore and insurance business

12. The offshore financial services industry of the Territory has enjoyed continuous growth for the past decade and has gained increasing popularity and reputation amongst companies and individuals. The Territory is a true "zero tax" haven with no taxes whatsoever on income, capital gains, corporate profits, inheritance or estates.

13. The Territory possesses some of the most modern financial services legislation, and has become a leader in captive insurance and re-insurance in the Caribbean. Government fees are more attractive than in most competing jurisdictions, and the financial services infrastructure is broadly based and well managed.

14. The number of registered companies has increased in recent years, with the total reaching 13,000 in 1994, including 1,674 licensed insurance companies. The Territory's Financial Services Commission earned revenues of approximately $3 million in 1994. 5/

D. Land tenure, agriculture and livestock

15. Agricultural production is small, and at present is concentrated on North Caicos. There are plans to commence hydroponics gardening on Providenciales and Grand Turk. In addition, Belize Holding Inc., a private company, has opened a rice milling facility on Grand Turk for the processing of raw rice from Belize, Guyana and Suriname for duty-free export to countries members of the European Union.

E. Fisheries

16. There is a small but buoyant fishing industry in the Territory, with main export products including lobster, conch and scale-fish. In 1994 exports (largely to the United States) totalled $2.1 million for lobster and $1 million for conch. There is every indication that there is great potential for further expansion and development of marine resources.

17. The Turks and Caicos Islands has the world's only commercial conch farm raising domestic conch for export. The farm has been conducting research for the past decade and expects to reach full commercial production in 1996. Several other fish farms are being developed on an experimental basis. 5/

F. Tourism

18. The Territory is enjoying growing popularity as a prime tourist destination with outstanding white beaches, beautiful coral reefs and a variety of historical attractions. It is considered one of the world's top five diving destinations, with major underwater attractions such as the "Wall", a 7,000-foot vertical subsea trench located offshore from Grand Turk Island.

19. The Territory's tourism sector began serious development with the opening of a Club Mediterranée a decade ago, followed by the Turquoise Reef Club on Providenciales in 1990. At that time, the Territory's Government began an aggressive programme of targeted marketing with the creation of the independent Tourist Board and the hiring of full-time marketing and promotion personnel. In 1994 the Tourist Board launched its first major promotional campaign in the United States, and marketing efforts into Europe have been intensified.

20. In 1994, tourist arrivals were up 13.7 per cent to almost 72,000 visitors. Tourism from North America (representing almost 70 per cent of visitors) remained strong, and promotional activities in Europe have resulted in a rapid growth in arrivals from Europe. The tourism industry benefited from the upgrade by American Airlines of its aircraft to a larger capacity model and the increase in the number of flights from seven to nine weekly. In addition, there is increased regional service and daily air service to Florida on commuter aircraft. 5/

21. The tourism sector benefited from the opening of a series of hotels, resorts and casinos. On 1 October 1995, the $30 million 250-room Royal Bay Resort and Villas was commissioned by its owner, Zurich Bank of Canada. Later, the property was sold to Sandals, a tourist company that renamed it Sandals Turks and Caicos. 6/ A new 100-room five-star hotel on Parrot Cay is expected to be finished in July 1996. The Government has commenced construction of a new airport terminal on Providenciales on a joint venture basis with a major local private-sector firm. 5/

G. Communications and other basic facilities

22. Information on communications and other basic facilities is contained in a previous working paper on the Territory prepared by the Secretariat (see A/AC.109/1185, paras. 40-44).

IV. SOCIAL CONDITIONS

23. Information on social conditions in the Territory is contained in previous working papers prepared by the Secretariat (see A/AC.109/1185, paras. 57-72, and A/AC.109/2015, paras. 28-32).

V. PARTICIPATION IN INTERNATIONAL ORGANIZATIONS/ARRANGEMENTS

24. Information on the Territory's participation in international organizations/arrangements is contained in the previous working paper prepared by the Secretariat (A/AC.109/2015, paras. 33-35).

25. The United Nations Development Programme (UNDP) is providing development assistance to the Territory in accordance with its third country programme for the Turks and Caicos Islands, approved by the UNDP Governing Council in February 1993. A summary of UNDP assistance projects is contained in document A/AC.109/2015/Add.1.

VI. FUTURE STATUS OF THE TERRITORY

26. A summary of the position of the administering Power towards its dependent Territories is contained in previous working papers prepared by the Secretariat (A/AC.109/1137, para. 17, A/AC.109/1139, para. 17, and A/AC.109/1180,

paras. 30-36). For statements during the fiftieth session of the General Assembly, see document A/AC.109/2043, paragraphs 41-43.

27. On 6 December 1995, the General Assembly adopted resolution 50/38 B, a consolidated resolution on 12 Non-Self-Governing Territories, section XI of which was specifically devoted to the Turks and Caicos Islands.

Notes

1/ The information contained in the present paper has been derived from published reports. The facts and figures presented in the working paper are the latest information available.

2/ 1996 Caribbean Basin Commercial Profile, p. 354.

3/ Caribbean Update, April and May 1966.

4/ Caribbean Insight, January 1996, p. 10.

5/ 1996 Caribbean Basin Commercial Profile, p. 353.

6/ Caribbean Update, February 1996.